Funding Formula Example

Allocations of the state connectivity funds are distributed to schools based on an equity formula. The premise of the formula is that a certain level of connectivity should be provided for all schools at no cost. Resources to accomplish this come from E-rate discounts that schools receive for Internet service and from the state connectivity funds (**SCHOOL AND LIBRARY INTERNET CONNECTION (IC 4-34-3-2)**. For the funding year 2010-2011, a combination of E-rate and state connectivity funds will provide each school that is part of the state network $1,370 of internet service (bandwidth)/month.

Here's how it works for two example school corporations.

Corporation ABC (More than $1,370/month in service)

Monthly Bandwidth Cost: $4,200
E-rate Discount Level: 60%
State Connectivity Fund Allocation: 40% of $1,370

Monthly bandwidth costs from ENA (before E-rate discount):	$4,200
Less E-rate	$(2,520)
Less State Connectivity Grant	$(548)
Local Monthly Cost	**$1,132**

Corporation JKL (Less than $1,370/month in service)

Monthly Bandwidth Cost: $1,000
E-rate Discount Level: 45%
State Connectivity Fund Allocation: 55% of $1,000

Monthly bandwidth costs from ENA (before E-rate discount):	$1,000.00
Less E-rate	$(450.00)
Less State Connectivity Grant	$(550.00)
Local Monthly Cost	**$0.00**

Corporation XYZ (Exactly $1,370/month in service)

Monthly Bandwidth Cost: $1,370
E-rate Discount Level: 85%
State Connectivity Grant: 15% of $1,370

Monthly bandwidth costs from ENA (before E-rate discount):	$1,370.00
Less E-rate	$(1,164.50)
Less State Connectivity Grant	$(205.50)
Local Monthly Cost	**$0.00**